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Disclaimer of Financial Claims May Avoid Eligibility for CBM Review

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In defining what patents qualify as ***covered business method (CBM)*** patents under 37 CFR § 42.301(a), the ***Patent Trial and Appeal Board (PTAB)*** continues to reach diverse and divided panel decisions. Various PTAB cases have weighed how explicitly the claims must be tied to a financial product or service, and what role the specification plays in that determination (*IP Update*, Vol. 19, Nos. 4–6). Now, in another decision, the PTAB remains divided on its approach to CBM eligibility, especially when a patent owner disclaims the only explicitly financial claims that otherwise would have given rise to CBM eligibility. ***Plaid Technologies, Inc. v. Yodlee, Inc.***, Case No. CBM2016-00070 (PTAB, Oct. 6, 2016) (Kaiser, APJ) (Kim, APJ, dissenting).

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The PTAB panel majority in *Plaid Technologies* found that none of the challenged claims were "explicitly or inherently" financial as it construed the claim language, and thus denied review. This ruling was a consequence of the fact that the patent owner disclaimed, under 35 USC § 253(a), the only claims that were expressly directed to financial products or services. Because of the disclaimer, the PTAB treated those claims as if they had never existed and found the remaining claims to be of general applicability. Those remaining claims were broadly directed to taking device-specific internet data and restructuring it to a different format that could be viewed generically on many types of devices without additional hardware and/or software. Although the remaining claims were broad enough to cover data and information associated with financial services, the panel concluded that they did not explicitly or inherently relate to financial activity.

The dissent argued that a patent owner's disclaimer was not effective to avoid eligibility for CBM review. The dissent agreed that a disclaimer voided the claims themselves but argued that such a disclaimer could not erase the voided claims' impact on the scope of the remaining claims, because originally filed claims remain part of the specification and prosecution history, regardless of their eventual status as "disclaimed." The dissent further argued that in light of the discussion in the underlying specification of associated financial products in conjunction with the scope of the originally filed dependent claims that were explicitly financial in nature, the remaining claims clearly encompassed activities that were financial in nature.